
State:	District of Columbia	Filing Company:	National Western Life Insurance Company
TOI/Sub-TOI:	A02I Individual Annuities- Deferred Non-Variable/A02I.002 Flexible Premium		
Product Name:	Flexible Premium Deferred Annuity, 01-1174-16 (DOL)		
Project Name/Number:	Flexible Premium Deferred Annuity, 01-1174-16 (DOL)/Flexible Premium Deferred Annuity, 01-1174-16 (DOL)		

Filing at a Glance

Company:	National Western Life Insurance Company
Product Name:	Flexible Premium Deferred Annuity, 01-1174-16 (DOL)
State:	District of Columbia
TOI:	A02I Individual Annuities- Deferred Non-Variable
Sub-TOI:	A02I.002 Flexible Premium
Filing Type:	Form
Date Submitted:	11/09/2016
SERFF Tr Num:	NAWS-130801303
SERFF Status:	Assigned
State Tr Num:	
State Status:	
Co Tr Num:	01-1174-16
Implementation	On Approval
Date Requested:	
Author(s):	Kitty Kennedy, Lawrence Scott, Mandi Rodriguez
Reviewer(s):	John Rielley (primary)
Disposition Date:	
Disposition Status:	
Implementation Date:	

State: District of Columbia **Filing Company:** National Western Life Insurance Company
TOI/Sub-TOI: A021 Individual Annuities- Deferred Non-Variable/A021.002 Flexible Premium
Product Name: Flexible Premium Deferred Annuity, 01-1174-16 (DOL)
Project Name/Number: Flexible Premium Deferred Annuity, 01-1174-16 (DOL)/Flexible Premium Deferred Annuity, 01-1174-16 (DOL)

General Information

Project Name: Flexible Premium Deferred Annuity, 01-1174-16 Status of Filing in Domicile: Not Filed (DOL)

Project Number: Flexible Premium Deferred Annuity, 01-1174-16 Date Approved in Domicile: 16 (DOL)

Requested Filing Mode: Review & Approval

Domicile Status Comments: This form is deemed exempt by our state of domicile, Colorado, under Bulletin B-4.1.

Explanation for Combination/Other:

Market Type: Individual

Submission Type: New Submission

Individual Market Type:

Overall Rate Impact:

Filing Status Changed: 11/10/2016

State Status Changed:

Deemer Date:

Created By: Mandi Rodriguez

Submitted By: Mandi Rodriguez

Corresponding Filing Tracking Number:

Filing Description:

Re: Flexible Premium Deferred Annuity, form number 01-1174-16
National Western Life Insurance Company, NAIC 66850, FEIN 84-0467208

To Whom It May Concern:

Please find attached the above captioned forms submitted to your state for formal approval. These forms are new and are not intended to replace any previously approved forms. This form is deemed exempt by our state of domicile, Colorado, under Bulletin B-4.1. This filing contains no unusual or possibly controversial items from normal industry standards.

This form is an exact duplicate of the previously approved form 01-1144-07, approved on January 28, 2008 under SERFF Tracking Number NAWS-125427575. There are no changes made to the form. The reason for the filing, is that we will need a separate form number to comply with the Department of Labor Ruling Letter as it pertains to qualified policies. The previously approved form, will be used in the future for non-qualified policies, and this submitted form will be used for qualified policies subject to the DOL Ruling Letter.

The following previously approved forms will be used with the forms being submitted in this filing:

Form Name Form Number Approval Date

Deferred Annuity Application ICC14 01-9046-14 November 6, 2014 SERFF Tracking Number NAWS-129602278

Application Amendment ICC14 01-S044-14 November 6, 2014 SERFF Tracking Number NAWS-129602278

Cash Loan Endorsement 01-4087RX March 1, 2005

Co-Annuitant Endorsement 01-4322-00 December 5, 2000

Section 72(s) Endorsement 01-4289-97 July 24, 1997

Assignment Endorsement 01-4137(Rev.04/95) January 9, 1996

Tax Deferred Endorsement 01-4253-04 February 20, 2004

Roth IRA Endorsement 01-4307-07 March 21, 2008

IRA Endorsement 01-4010-07 March 21, 2008

Required Minimum Distribution Endorsement 01-4336-03 March 11, 2005

Thank you for your time and consideration in this matter. If you have any questions or need more information, please feel free to contact me by email at Mandi.Rodriguez@NationalWesternLife.com or by phone at 512-719-1563.

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Sincerely,

Mandi Rodriguez
Contract Compliance Analyst

We reserve the right to change the format of this form without changing any of the language. Printing standards will never be less than those required by your state.

Company and Contact

Filing Contact Information

Mandi Rodriguez, Contract Compliance Analyst
amanda.rodriguez@nationalwesternlife.com
850 East Anderson Lane
Austin, TX 78752
512-719-1563 [Phone]
512-719-8522 [FAX]

Filing Company Information

National Western Life Insurance Company	CoCode: 66850	State of Domicile: Colorado
850 East Anderson Lane	Group Code:	Company Type:
Austin, TX 78752-1602	Group Name:	State ID Number:
(512) 836-1010 ext. [Phone]	FEIN Number: 84-0467208	

Filing Fees

Fee Required? No
Retaliatory? No
Fee Explanation:

State:	District of Columbia	Filing Company:	National Western Life Insurance Company
TOI/Sub-TOI:	A02I Individual Annuities- Deferred Non-Variable/A02I.002 Flexible Premium		
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Correspondence Summary

Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Correction to approved application forms	Note To Reviewer	Mandi Rodriguez	11/09/2016	11/09/2016

State: District of Columbia **Filing Company:** National Western Life Insurance Company
TOI/Sub-TOI: A021 Individual Annuities- Deferred Non-Variable/A021.002 Flexible Premium
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Note To Reviewer

Created By:

Mandi Rodriguez on 11/09/2016 01:08 PM

Last Edited By:

Mandi Rodriguez

Submitted On:

11/09/2016 01:09 PM

Subject:

Correction to approved application forms

Comments:

Form Name Form Number Approval Date

Deferred Annuity Application 01-9046DC-14 October 22, 2014 SERFF Tracking Number NAWS-129725678

Application Amendment 01-S044-14 October 22, 2014 SERFF Tracking Number NAWS-129725678

State:	District of Columbia	Filing Company:	National Western Life Insurance Company
TOI/Sub-TOI:	A02I Individual Annuities- Deferred Non-Variable/A02I.002 Flexible Premium		
Product Name:	Flexible Premium Deferred Annuity, 01-1174-16 (DOL)		
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Form Schedule

Lead Form Number: 01-1174-16								
Item No.	Schedule Item Status	Form Name	Form Number	Form Type	Form Action	Action Specific Data	Readability Score	Attachments
1		Flexible Premium Deferred Annuity	01-1174-16	POL	Initial		72.000	01-1174-16.pdf

Form Type Legend:

ADV	Advertising	AEF	Application/Enrollment Form
CER	Certificate	CERA	Certificate Amendment, Insert Page, Endorsement or Rider
DDP	Data/Declaration Pages	FND	Funding Agreement (Annuity, Individual and Group)
MTX	Matrix	NOC	Notice of Coverage
OTH	Other	OUT	Outline of Coverage
PJK	Policy Jacket	POL	Policy/Contract/Fraternal Certificate
POLA	Policy/Contract/Fraternal Certificate: Amendment, Insert Page, Endorsement or Rider	SCH	Schedule Pages

NATIONAL WESTERN LIFE INSURANCE COMPANY

A Stock Company

EXECUTIVE OFFICE, AUSTIN, TEXAS
HOME OFFICE, DENVER, COLORADO

ANNUITANT	POLICY NUMBER
POLICY DATE	ISSUE AGE
OWNER	ANNUITY DATE

ANNUITY PROVISION

NATIONAL WESTERN LIFE INSURANCE COMPANY is called "we" or "us". The Owner is called "you". We will pay you a monthly income beginning on the Annuity Date. Payment is subject to the conditions and provisions contained herein.

PREMIUM PAYMENTS

The initial premium payment is due in an amount determined by you on the Policy Date. Further premium payments can be made at any time thereafter at your option. We do have the right to limit premium payments in any renewal year to the amount of premium payments made in the preceding year. Each payment must be at least \$100.00.

RIGHT TO CANCEL

You may cancel this Policy by delivering or mailing a written notice or sending a telegram to us in Austin, Texas [78752-1602] or to the agent through whom it was purchased. You must return the Policy to us or the agent through whom it was purchased before midnight of the thirtieth day after the date you receive it. Notice given by mail and return of the Policy by mail are effective on being postmarked, properly addressed and postage prepaid. We must return all premiums paid for this Policy within ten days after we receive notice to cancel and the returned Policy.

	
Secretary	President

READ YOUR POLICY CAREFULLY

FLEXIBLE PREMIUM DEFERRED ANNUITY WITH FIXED INDEXED FEATURE IN WHICH INTEREST CREDIT OPTION IS LINKED IN PART TO EXTERNAL INDICES. VALUES IN THIS POLICY MAY BE AFFECTED BY THE EXTERNAL INDICES. THIS POLICY DOES NOT PARTICIPATE IN ANY STOCK OR EQUITY INVESTMENTS. MONTHLY INCOME PAYMENTS BEGIN ON THE ANNUITY DATE. DEATH BENEFIT BEFORE ANNUITY DATE. NONPARTICIPATING.

This Policy is a legal contract between you and us.

NOTICE TO OWNER: If you have questions or need information about this Policy or need assistance, please call us at [1-800-922-9422].

ARTICLE I - DEFINITIONS

Age refers to attained age on the last birthday.

Annuitant is the person named as Annuitant on Page 3.

Annuity Date means the date as shown on Page 3 unless you have changed the Annuity Date in accordance with the terms of this Contract.

Policy Anniversary means the month and day shown on Page 3 in the Policy Date for each year after the Policy Date.

Policy Year or Contract Year means the yearly period which starts on the Policy Date and yearly periods that start on each Policy Anniversary thereafter.

Contract Term is the time period as shown on Page 3, during which withdrawal charges apply. At the end of the Contract Term the Policy may continue as described in the Contract Continuation section and the Minimum Guaranteed Interest Rate will be re-determined.

Issue Age is Annuitant's Age on the Policy Date as shown on Page 3.

Free Withdrawal refers to withdrawals on which no withdrawal charge is incurred.

Joint Annuitant is the person named as the second payee under the Survivorship Annuity in Option 4 under Section 3.1.

Withdrawal Charge Period means the Policy Years over which Withdrawal Charge Rates apply as shown on Page 3.

Policy means the annuity Policy issued to the Owner.

Owner is the person named as Owner on Page 3. The Annuitant is the Owner, unless another Owner is named on the App or later changed.

POLICY DATA PAGE

NATIONAL WESTERN LIFE INSURANCE COMPANY
[850 EAST ANDERSON LANE, AUSTIN, TEXAS 78752-1602]
[1-800-922-9422]

ANNUITANT	[JOHN DOE]	[0100012345]	POLICY NUMBER
POLICY DATE	[NOVEMBER 1, 2007]	[35]	ISSUE AGE
OWNER	[JOHN DOE]	[NOVEMBER 1, 2042]	ANNUITY DATE

01-1174-16 FLEXIBLE PREMIUM DEFERRED ANNUITY

THE INITIAL PREMIUM: [\$10,000.00]
CONTRACT TERM: 9 POLICY YEARS
MINIMUM VALUE: [\$5,000.00]
MINIMUM GUARANTEED INTEREST RATE FOR THE CONTRACT TERM: [3.00%]
OPTION B INTEREST RATE FOR THE FIRST POLICY YEAR: [4.10%]
THE LOAN INTEREST RATE IS: 7.40%
OPTION K PARTICIPATION RATE FOR THE FIRST POLICY YEAR: [80.00%]
OPTION K ASSET FEE RATE FOR THE FIRST POLICY YEAR: [0.00%]
MAXIMUM OPTION K ASSET FEE RATE: 2.00%
MINIMUM OPTION K PARTICIPATION RATE: 20.00%
PERCENTAGE OF PREMIUMS: 100%

INTEREST CREDIT ALLOCATION PERCENTAGES FOR THE FIRST POLICY YEAR:

INTEREST CREDIT OPTION [B]	[50.00%]
INTEREST CREDIT OPTION [K]	[50.00%]

WITHDRAWAL CHARGE RATES:

<u>POLICY YEAR</u>	<u>RATE</u>	<u>POLICY YEAR</u>	<u>RATE</u>
1	9.25%	6	4.00%
2	8.25%	7	3.00%
3	7.25%	8	2.00%
4	6.25%	9	1.00%
5	5.00%	THEREAFTER	0.00%

ARTICLE II - GENERAL PROVISIONS

Section 2.1 - Contract. The application is called "App". This Policy, any endorsements, any riders, any amendments, and the App are the Contract. A copy of the App is attached. All statements made in the App are representations and not warranties.

Only our officers may change this Contract or waive a right or requirement. No agent may do this. Such change or waiver must be in writing.

Section 2.2 - Owner. Unless changed, the Owner is named on Page 3. If the Owner is not the Annuitant and the named Owner and contingent Owner, if any, die, the Annuitant becomes the Owner.

The Owner may use all rights while the Annuitant is alive. These include the rights to:

1. Change the Beneficiary;
2. Receive proceeds;
3. Elect options; and
4. Change the Owner.

Section 2.3 - Beneficiary. Unless changed, the payee to whom the death benefit is paid is the Beneficiary named in the App. A payee is one living on the earlier of:

1. The day we receive due proof of the Annuitant's death; or
2. The 15th day past the Annuitant's death.

Unless changed:

1. If there is more than one payee in the same class, equal shares will be paid;
2. The share of any Beneficiary not living will be paid to the rest of the payees of the same class in proportion to their respective shares; and
3. If no Beneficiary is living, the payee will be the Annuitant's estate.

Section 2.4 - Change of Owner or Beneficiary. Changes in the designation of the Owner and/or the Beneficiary may be made by the Owner's written request on forms provided by us, completed by the Owner, and forwarded to us during the lifetime of the Annuitant. After the change is recorded at our office in Austin, Texas, it will be effective as of the date of the Owner's request described herein. It will not apply to any payment made or action taken by us before it was recorded.

Once we accept this change, it takes effect as of the date you signed the request, subject to any action we take before we accept the change.

Section 2.5 - Incontestability. We may not contest this Contract once it has been in force, while the Annuitant is alive, for two years from its Policy Date.

Section 2.6 - Assignment. This Contract, and the benefits of this Contract, cannot be assigned, sold, transferred, or pledged as collateral for a loan or for any other purpose.

Section 2.7 - Misstatement of Age or Sex. If the age or sex of the Annuitant or Joint Annuitant is incorrect, we will change the amounts we pay to the amounts based on the correct age and sex.

1. Any overpayment we made will be deducted from future payments.
2. Any underpayment we made will be paid in full with the next payment due.

Section 2.8 - Proof of Age and Sex. No income payments will be made until we receive satisfactory proof of the age and sex of the Annuitant and Joint-Annuitant, if any.

ARTICLE II
GENERAL PROVISIONS (Continued)

Section 2.9 - Proof of Survival. We have the right to require proof that the Annuitant and Joint-Annuitant, if any, is alive at the time each income payment is due.

Section 2.10 - Settlement. All payments made by us under the Contract shall be made from our office in Austin, Texas.

Section 2.11 - Nonparticipating. This Policy is a nonparticipating Policy. It will not participate in our surplus earnings.

Section 2.12 - Annual Report. We will prepare a report at the end of each Policy Year that this Contract is in force. We will mail this report to you within 60 days of the end of each Policy Year. The report will show:

1. Premiums received during the Policy Year;
2. Withdrawals during the Policy Year;
3. Interest credits during the Policy Year;
4. Account Value;
5. Contract Value; and
6. Cash Surrender Value.

Section 2.13 - Change of Annuity Date. The Annuity Date stated in this Policy may be changed. You must write to us and request the change. However, you may not choose an Annuity Date that occurs before the 5th Policy Anniversary.

ARTICLE III - ANNUITY BENEFITS

Section 3.1 - Settlement Options. Before the Annuity Date, you may write to us and choose one of the options below. If you do not later change your choice, such option will apply.

The amount used on the Annuity Date to provide any of the Settlement Options is the Contract Value.

Option 1 - Income for Life. Monthly payments based on the Option 1 Table will be made until the Annuitant dies. Monthly income payments will begin on the Annuity Date.

Option 2 - Life Income with a Guaranteed Period. Monthly payments based on the Option 2 Table may be guaranteed for 5, 10, 15, or 20 years. After the guaranteed payments have been made, payments will be made until the Annuitant dies. Monthly income payments will begin on the Annuity Date.

Option 3 - Life Income with Installment Refund. Monthly payments based on the Option 3 Table are guaranteed until the total amount paid equals the amount applied to this option on the Annuity Date. After the guaranteed payments have been made, payments will be made until the Annuitant dies. Monthly income payments will begin on the Annuity Date.

Option 4 - Survivorship Annuity. Monthly payments will be made as long as the Annuitant lives. After the Annuitant dies, payments are made for as long as the Joint Annuitant lives. Monthly income payments will begin on the Annuity Date.

Option 5 - Monthly Income for a Fixed Period. Equal monthly income payments, beginning on the Annuity Date, will be made for not less than 5 years nor more than 30 years.

Option 6 - Annual Income for a Fixed Period. Equal annual income payments will be made for not less than 5 years nor more than 30 years. Payments will begin one year after the Annuity Date.

Option 7 - Proceeds Held at Interest Only. The proceeds are held by us at interest only for such period that you and we agree upon, but not less than 5 years. You may elect to have the interest payments held by us and accumulated with the proceeds or paid on a periodic basis. Before the end of the interest period you may elect to have the funds applied to any other option described in this Section. At the end of the interest period you may take the remaining balance in cash.

If you do not choose an option before the Annuity Date, the Option 2 Life Income with a 10-Year Guaranteed Period will be paid.

On request, we may provide other options based upon actuarial equivalents of Options 1, 2, 3, or 4.

Guaranteed payments for Options 1, 2, 3, and 4 are calculated using the 1983 Table a (female), projected to 1995, and the interest rates shown on the Option 1 and 2 Table and Option 3 Table made part of this Policy. The attained age of the payee when the option payment starts will be adjusted downward by 1 year for each full 5 year period that has elapsed since January 1, 1995. For Options 5, 6, and 7 the guaranteed interest rate is 1.25%.

We may, at our option, use an interest rate that is higher than the guaranteed interest rate to calculate payments and credit funds left on deposit.

If the monthly income payment is less than \$100, we may change to quarterly, semi-annual, or annual payments to equal or exceed such minimum amount. The amount of such payments will be calculated based on the same mortality table, if any, and the interest rate we use in calculating the monthly income.

We reserve the right to reduce the payments under this section after such payments have begun, to reflect any Federal, State, or Municipal taxes, or any fees or assessments related to this Policy, payment of which is required or authorized by law, which have not otherwise been deducted or offset.

ARTICLE III
ANNUITY BENEFITS (Continued)

Section 3.2 - Contract Value. The Contract Value equals the greater of:

1. the Account Value; or
2. the Minimum Guaranteed Contract Value.

Section 3.3 - Account Value. The Account Value equals:

1. On your Policy Date - The Percentage of Premiums for the first Policy Year, as shown on Page 3, times the Initial Premium;
2. Between the Policy Date and the first Option Term End Date:
 - (a) The Percentage of Premiums for the first Policy Year as shown on Page 3, times the sum of the Initial Premium and premiums received after the Policy Date and on or before the 20th calendar day following the Policy Date; less
 - (b) any withdrawals and applicable withdrawal charges taken during the Option Term Period, with interest, as we declare, from the date withdrawn to the current date; plus
 - (c) the Interest Credit under Option B, if any; plus
 - (d) The applicable Percentage of Premiums as shown on Page 3, times any premiums received after the 20th calendar day following the Policy Date, such amount increased by interest, as we declare, for the period from the date received to the current date.
3. On the first Option Term End Date:
 - (a) The Percentage of Premiums for the first Policy Year as shown on Page 3, times the sum of the Initial Premium and premiums received after the Policy Date and on or before the 20th calendar day following the Policy Date; less
 - (b) any withdrawals and applicable withdrawal charges taken during the Option Term Period, with interest, as we declare, from the date withdrawn to the first Option Term End Date; plus
 - (c) the Interest Credit under Interest Credit Options established for the first Option Term Period; plus
 - (d) The applicable Percentage of Premiums as shown on Page 3, times any premiums received after the 20th calendar day following the Policy Date, such amount increased by interest, as we declare, for the period from the date received to the first Option Term End Date.
4. Between Option Term End Dates after the first Option Term End Date:
 - (a) your Account Value on the last Option Term End Date; less
 - (b) any withdrawals and applicable withdrawal charges taken during the current Option Term Period, with interest, as we declare, from the date withdrawn to the current date; plus
 - (c) the Interest Credit under Option B, if any; plus
 - (d) the applicable Percentage of Premiums as shown on Page 3, times any premiums received since the last Option Term End Date, such amount increased by interest, as we declare, for the period from the date received to the current date;
5. On any Option Term End Date after the first Option Term End Date:
 - (a) your Account Value on the last Option Term End Date; less
 - (b) any withdrawals and applicable withdrawal charges taken during the Option Term Period, with interest, as we declare, from the date withdrawn to the current Option Term End Date; plus
 - (c) the Interest Credit under Interest Credit Options established for the current Option Term Period; plus
 - (d) the applicable Percentage of Premiums as shown on Page 3, times any premiums received since the last Option Term End Date, such amount increased by interest, as we declare, for the period from the date received to the current Option Term End Date.

Option Term Periods and Option Term End Dates are defined in the endorsements establishing Interest Credit Options under this Policy.

Section 3.4 - Minimum Guaranteed Contract Value. The Minimum Guaranteed Contract Value on any day equals:

1. 87.5% of premiums received; less
2. any withdrawals and withdrawal charges; and
3. all accumulated at the Minimum Guaranteed Interest Rate described in Section 3.8.

ARTICLE III
ANNUITY BENEFITS (Continued)

Section 3.5 - Cash Surrender Value/Withdrawal of Cash. The Cash Surrender Value of this Contract is the greater of:

1. the Account Value less the withdrawal charge; or
2. the Minimum Guaranteed Contract Value.

You may withdraw cash at any time on or before the Annuity Date.

1. You must tell us how much you want to withdraw and complete all forms required by us.
2. The amount withdrawn must be at least \$500.00 or the Cash Surrender Value, if less. You may not take a partial withdrawal, unless the Contract Value, after the withdrawal, is at least equal to the Minimum Value shown on Page 3.
3. The Withdrawal Charge Rates are shown on Page 3. The withdrawal charge is calculated as follows:
 - (a) partial withdrawal charge - multiply the partial withdrawal amount you receive, plus any amount necessary to provide for the withdrawal charge, by the applicable Withdrawal Charge Rate shown on Page 3.
 - (b) full surrender charge - multiply the Account Value by the applicable Withdrawal Charge Rate shown on Page 3.
4. You may withdraw amounts as described in the Free Withdrawal Option section and the Systematic Withdrawal of Interest Option section below without withdrawal charges.
5. Your Contract Value will be adjusted as described in the Account Value and Minimum Guaranteed Contract Value sections.
6. If you withdraw the entire Cash Surrender Value, this Contract will terminate.
7. We may defer payment for up to 6 months after we receive your request for cash after making written request and receiving written approval from the commissioner.

Section 3.6 - Free Withdrawal Option. Each Policy Year you may make one Free Withdrawal of up to 10% of your Account Value. Such partial withdrawal will be made without a withdrawal charge. Any partial withdrawal amount in excess of the Free Withdrawal amount will be subject to a withdrawal charge. You may not exercise a withdrawal under Section 3.7 in the same Policy Year in which you make a withdrawal under this Section 3.6.

Section 3.7 - Systematic Withdrawal of Interest Option. The Owner may elect to make withdrawals of interest earnings without withdrawal charges for the year in which the request is made and for each Policy Year thereafter without withdrawal charges subject to the following conditions:

1. The request must be made on a form furnished by us;
2. The interest to be withdrawn is limited to that credited, if any, during the last complete Policy Year preceding the date of request;
3. You may not exercise a withdrawal under Section 3.6 in the same Policy Year in which you make a withdrawal under this Section 3.7;
4. Once requested, the withdrawal of interest earnings each year will continue until and unless we receive written notice at our office in Austin, Texas that you wish to terminate this option;
5. Although payments under this option may be made, as directed by you, either monthly, quarterly, semi-annually, or annually, no payment will be made for an amount less than \$100, nor will a payment be made that includes principal. Any payment for an amount due less than \$100 will be deferred until a payment due date when a payment can be made that equals or exceeds \$100; and
6. Additional withdrawals in any Policy Year during which this election is in effect will be subject to the withdrawal charges shown on Page 3.

Section 3.8 - Minimum Guaranteed Interest Rate. The Minimum Guaranteed Interest Rate, as shown on Page 3, is set on the Policy Date and is guaranteed for the Contract Term. It is calculated as an effective annual rate and is the lesser of (a) or (b), where:

- (a) is 3.00%, and
- (b) is the average for the 6 month period ending 1 month prior to the calendar quarter in which the Policy Date occurs of the 5-Year Constant Maturity Treasury (CMT) rate reported by the Federal Reserve, minus 1.25%.

ARTICLE III
ANNUITY BENEFITS (Continued)

The Minimum Guaranteed Interest Rate will be re-determined on the first Policy Anniversary that coincides with the last day of the Contract Term. For example, if the Policy Date is January 7, 2004, the Contract Term ends on January 7, 2013. In this example, the Minimum Guaranteed Interest Rate would be re-determined on January 7, 2013.

It will be recalculated as the lesser of (a) or (b), where:

- (a) is 3.00%, and
- (b) is the average of the 5-Year Constant Maturity Treasury (CMT) rate reported by the Federal Reserve, minus 1.25% for the 6-month period ending 1 month prior to the calendar quarter in which the first Policy Anniversary that coincides with the last day of the Contract Term, as described above, occurs.

The Minimum Guaranteed Interest Rate that has been re-determined will be guaranteed until the Annuity Date.

The Minimum Guaranteed Interest Rate is rounded to the nearest 1/20th of 1.00% and is never less than 1.00%.

Section 3.9 - Contract Continuation. At the end of the Contract Term, unless you elect Option 2 which is described in Section 3.10, we will continue your Contract under the following conditions:

- 1. Your Contract Value will equal your Contract Value on the last day of the Contract Term, plus premiums received since the last day of the Contract Term, less any withdrawals, with interest credited at rate(s) of interest we declare in advance for periods of not less than one year, but never less than the re-determined Minimum Guaranteed Interest Rate described in Section 3.8;
- 2. Your Cash Surrender Value will equal your Contract Value;
- 3. If you take any withdrawals at the end of the Contract Term, we will adjust your values by subtracting the withdrawal amount from your Contract Value; and
- 4. Interest Credit under Interest Credit Options established for this Contract no longer apply.

Section 3.10 - Contract Term Options. You may write to us and elect one of the options below to take effect at or after the Contract Term.

- 1. Partial withdrawal with no withdrawal charges, subject to the limitations in Section 3.5(2) above.
- 2. Surrender this Contract with no withdrawal charges.

Section 3.11 - Paid-Up Annuity. This Contract will be continued as a paid-up deferred annuity:

- 1. On the Policy Anniversary following a Policy Year during which no premiums were paid; or
- 2. The date we receive a written request from you for this option.

While continued as a paid-up deferred annuity, this Contract will continue in full force and effect. You may exercise all rights described in this Contract.

Section 3.12 - Death Benefit if Annuitant Dies Before Annuity Date. We will pay to the Beneficiary:

- 1. The Cash Surrender Value as of the date of death as a single sum, or
- 2. Benefits provided by the Contract Value if applied under one of the Settlement Options in Section 3.1.

Payment will be made when we receive due proof of the Annuitant's death.

If no election is made by the Beneficiary, we will pay in a single sum as described in 1 above in this Section 3.12.

Section 3.13 - Death Benefit If Annuitant Dies On Or After Annuity Date. We will pay to the Beneficiary any unpaid guaranteed amounts as provided by the Settlement Option in force on the date of death. No other death benefits will be paid.

ARTICLE III
ANNUITY BENEFITS (Continued)

Section 3.14 - Taxes, Fees, Assessments. Any Federal, State, or Municipal taxes, or any fees or assessments related to this Contract, payment of which is required or authorized by law, will be deducted from the benefits under Article III.

Section 3.15 - Minimum State Requirements. The Cash Surrender Value, Paid Up Annuity benefits, and the Death Benefits are no less than the benefits required by the State where this Contract is delivered.

**OPTION 1 AND 2 TABLE - MINIMUM INCOME FOR LIFE
OR LIFE INCOME WITH GUARANTEED PERIOD**

Monthly payments per \$1,000 of proceeds based on adjusted age of Annuitant when option starts.

The payment for ages not shown will be furnished upon request.

Payments based on 1983 Table a (female), projected to 1995, and 1.25% interest.

Adjusted Age of Annuitant	Income For Life	5 Years Guaranteed	10 Years Guaranteed	15 Years Guaranteed	20 Years Guaranteed
50	\$2.73	\$2.73	\$2.72	\$2.71	\$2.69
51	2.79	2.78	2.78	2.76	2.74
52	2.84	2.84	2.83	2.82	2.79
53	2.90	2.90	2.89	2.87	2.84
54	2.96	2.96	2.95	2.93	2.90
55	3.02	3.02	3.01	2.99	2.95
56	3.09	3.09	3.08	3.05	3.01
57	3.16	3.16	3.14	3.12	3.07
58	3.24	3.23	3.22	3.18	3.13
59	3.32	3.31	3.29	3.25	3.19
60	3.40	3.39	3.37	3.33	3.26
61	3.49	3.48	3.46	3.40	3.32
62	3.58	3.57	3.54	3.49	3.39
63	3.68	3.67	3.64	3.57	3.46
64	3.78	3.77	3.73	3.66	3.53
65	3.89	3.88	3.83	3.75	3.61
66	4.01	3.99	3.94	3.84	3.68
67	4.13	4.11	4.05	3.94	3.75
68	4.26	4.24	4.17	4.04	3.83
69	4.40	4.38	4.30	4.14	3.90
70	4.55	4.52	4.43	4.25	3.97
71	4.71	4.68	4.56	4.36	4.04
72	4.88	4.84	4.71	4.47	4.11
73	5.06	5.01	4.86	4.58	4.18
74	5.25	5.20	5.02	4.69	4.24
75	5.46	5.40	5.19	4.80	4.30
76	5.69	5.61	5.36	4.92	4.35
77	5.94	5.84	5.54	5.03	4.40
78	6.20	6.09	5.73	5.13	4.45
79	6.49	6.35	5.92	5.23	4.49
80*	6.80	6.63	6.11	5.33	4.53

* and over

OPTION 3 TABLE - LIFE INCOME WITH INSTALLMENT REFUND

Monthly payments per \$1,000 of proceeds based on adjusted age of Annuitant when option starts.

The payment for ages not shown will be furnished upon request.

Payments based on 1983 Table a (female), projected to 1995, and 1.25% interest.

Adjusted Age of Annuitant		Adjusted Age of Annuitant		Adjusted Age of Annuitant	
50	\$2.59	60	\$3.10	70	\$3.87
51	2.63	61	3.16	71	3.97
52	2.68	62	3.23	72	4.08
53	2.72	63	3.30	73	4.19
54	2.77	64	3.37	74	4.30
55	2.82	65	3.44	75	4.42
56	2.87	66	3.52	76	4.54
57	2.92	67	3.60	77	4.68
58	2.98	68	3.69	78	4.82
59	3.04	69	3.78	79	4.96
				80*	5.12

* and over

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NATIONAL WESTERN LIFE INSURANCE COMPANY

EXECUTIVE OFFICE, AUSTIN, TEXAS
HOME OFFICE, DENVER, COLORADO

READ YOUR POLICY CAREFULLY

FLEXIBLE PREMIUM DEFERRED ANNUITY WITH FIXED INDEXED FEATURE IN WHICH INTEREST CREDIT OPTION IS LINKED IN PART TO EXTERNAL INDICES. VALUES IN THIS POLICY MAY BE AFFECTED BY THE EXTERNAL INDICES. THIS POLICY DOES NOT PARTICIPATE IN ANY STOCK OR EQUITY INVESTMENTS. MONTHLY INCOME PAYMENTS BEGIN ON THE ANNUITY DATE. DEATH BENEFIT BEFORE ANNUITY DATE. NONPARTICIPATING.

This Policy is a legal contract between you and us.

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State:	District of Columbia	Filing Company:	National Western Life Insurance Company
TOI/Sub-TOI:	A02I Individual Annuities- Deferred Non-Variable/A02I.002 Flexible Premium		
Product Name:	Flexible Premium Deferred Annuity, 01-1174-16 (DOL)		
Project Name/Number:	Flexible Premium Deferred Annuity, 01-1174-16 (DOL)/Flexible Premium Deferred Annuity, 01-1174-16 (DOL)		

Supporting Document Schedules

Satisfied - Item:	Statement of Variability
Comments:	
Attachment(s):	Statement of Variability - 01-1174-16.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Actuarial Memorandum
Comments:	
Attachment(s):	01-1174-16 Actuarial Memo.pdf 01-1174-16 Reserve Dem Example.pdf 01-1174-16 Reserve Demo.pdf 01-1174-16 SNFL Prospective Test.pdf 01-1174-16 SNFL Retrospective Test.pdf
Item Status:	
Status Date:	

STATEMENT OF VARIABILITY – 01-1174-16 and State Variations

These variables are specific to the company:

Page 1, 3

Company address and phone numbers, Officers' names and signatures

The following information is applicable to the following annuity policy forms, where shown on the specification page:

Page 3

Annuity Date [November 1, 2042] – At issue, the annuity date is age 70. But this is flexible and can be moved up as close as 5 years from the issue date. There is no maximum date for annuitization.

The Initial Premium [\$10,000] – The initial premium minimum is \$5,000 up to a maximum of \$5,000,000.

Minimum Value [\$5,000] – \$5,000 is the minimum value for non-qualified annuities. \$2,000 is the minimum for tax-qualified annuities.

Minimum Guaranteed Interest Rate for the Contract Term [1.00%] – Minimum 1.0%, maximum 3.0%. This value will fluctuate based on the formula in the policy.

Option B Interest Rate for the first policy year [2.50%] – The minimum rate is 0. There is no set maximum rate.

Option A Participation Rate for the First Policy Year [70.00%]: Determined at issue, this rate may fluctuate, no more often than once a year, through the life of the policy. The minimum participation rate is 50%. There is no maximum participation rate.

Option A Asset Fee Rate for the First Policy Year [0.55%]: Determined at issue, this rate may fluctuate, no more often than once a year, through the life of the policy. The maximum asset fee rate is 6.00%.

Option A Asset Fee Rate for the First Policy Year [0.55%]: Determined at issue, this rate may fluctuate, no more often than once a year, through the life of the policy. The maximum asset fee rate is 6.00%.

Option D Monthly Cap Rate for the First Policy Year [1.75%]: Determined at issue, this rate may fluctuate, no more often than once a year, through the life of the policy. The minimum cap rate is 1.00%. There is no maximum participation rate.

Option K Asset Fee Rate for the First Policy Year [0.45%]: Determined at issue, this rate may fluctuate, no more often than once a year, through the life of the policy. The maximum asset fee rate is 2.00%.

Interest allocation percentages – up to 100% in any one option, or 100% total in A, B, D, and K combination. Percentages must be whole numbers.

The asset fee rate, participation rate, and monthly index cap rate of options A, D, and K are sensitive to pricing variables such as investment experience and option costs.

NATIONAL WESTERN LIFE INSURANCE COMPANY

ACTUARIAL MEMORANDUM

FIXED INDEXED ANNUITY

Policy Form No. 01-1174-16 & State Variations

Description of Benefits

This form is a flexible premium, fixed index deferred annuity. The Account Value is percentages of premiums received accumulated with interest. The percentages of premiums are shown on the Policy Data Page and are guaranteed. The Account Value may be withdrawn subject to a withdrawal charge. The withdrawal charges vary by Policy Year as described in the contract. Free partial withdrawals are allowed up to 10% once each Policy Year without a withdrawal charge.

On or after the 5th policy anniversary the Contract Value may be annuitized under settlement options described in the contract. The minimum payout is 5 years. The death benefit if death occurs prior to the Annuity Date is the Cash Surrender Value.

The greater of the Account Value, less the withdrawal charge, and the Minimum Guaranteed Contract Value is the Cash Surrender Value available to the owner. The Minimum Guaranteed Contract Value is basically an accumulation of 87.5% of premiums less withdrawals at the Minimum Guaranteed Interest Rate shown on the Policy Data Page. The Contract Value is the greater of the Account Value or the Minimum Guaranteed Contract Value

This is a fixed indexed annuity. The interest crediting formula to be applied to the Account Value may be linked to a combination of several equity indices, depending on crediting options selected by the policyholder. This linkage is guaranteed for the number of years specified as the Contract Term on the Policy Data Page. Fixed interest is in effect after the Contract Term.

Minimum Guaranteed Interest Rate

The Minimum Guaranteed Interest Rate is the same as the minimum nonforfeiture interest rate. It is set for new policies each calendar quarter.

The Minimum Guaranteed Interest Rate is the annual rate of interest that is the lesser of 3.00% and the 6 month average of the monthly five-year Constant Maturity Treasury (CMT) Rates as reported by the Federal Reserve for the period ending 1 month prior to the calendar quarter in which the Policy Date occurs, minus 1.25%, where the resulting interest rate is rounded to the nearest 1/20th of 1.00% and the resulting interest rate is not less than 1.00%. The 1 month delay between the calculation of the average five year CMT rate and the effective date for new policies allows the Company implementation time.

For new policies, the Minimum Guaranteed Interest Rate is determined each calendar quarter. It is guaranteed for the Contract Term.

National Western Life Insurance Company
Actuarial Memorandum – Policy Form 01-1174-16 and state variations
(continued)

As an example:

	5 Year CMT
	Rate
Mar 2007	4.48%
Apr 2007	4.59%
May 2007	4.67%
Jun 2007	5.03%
Jul 2007	4.88%
Aug 2007	4.43%
Average =	4.68%
minus	<u>1.25%</u>
	3.43%
=	3.00%, rounded to the nearest 1/20 th of 1%, but never less than 1% and never greater than 3%

The Minimum Guaranteed Interest Rate for policies issued in the 4th quarter of 2007 (October, November and December) is 3.00%.

The interest rate credited under the fixed account option may be higher in the first Policy Year than in future years. The first year interest rate is declared at policy issue and is guaranteed for the first Policy Year.

At the end of the Contract Term, the Minimum Guaranteed Interest Rate will be re-determined. On the first policy anniversary at the end of the Contract Term, the Minimum Guaranteed Interest Rate will be re-determined as the lesser of 3.00% and the 6 month average of the monthly five-year Constant Maturity Treasury Rates as reported by the Federal Reserve for the period ending 1 month prior to the calendar quarter in which the 1st policy anniversary at the end of the Contract Term occurs, minus 1.25%, where the resulting interest rate is rounded to the nearest 1/20th of 1.00% and the resulting interest rate is not less than 1.00%. The re-determined Minimum Guaranteed Interest Rate is guaranteed until the Annuity Date.

Nonforfeiture Value Demonstration

The Cash Surrender Values under this form equal or exceed the requirements of the new Standard Nonforfeiture Law for Individual Deferred Annuities.

The minimum nonforfeiture requirements are met if the Cash Surrender Values in this policy form

National Western Life Insurance Company
Actuarial Memorandum – Policy Form 01-1174-16 and state variations
(continued)

are greater than or equal to 87.5% of the considerations accumulated at the Minimum Guaranteed Interest Rate, as described above. The permitted annual contract charge of \$50 is ignored. The attached tables demonstrate compliance with the minimum nonforfeiture values required by the Standard Nonforfeiture Law using the Minimum Guaranteed Interest Rate of 3.00% for the Contract Term and 3.00% thereafter. The use of a Minimum Guaranteed Interest Rate of 3.00% provides the highest minimum nonforfeiture values among the range of possible Minimum Guaranteed Interest Rates. A copy of the demonstration is attached. (Test 1 Minimum Nonforfeiture Values).

The cash surrender benefit requirement is met if it is shown that the Account Value (AV) in Policy Year n , accumulated to the maturity date at the guaranteed interest rate i_n and discounted back to the present at $i_n + .01$ is less than or equal to $[1 - (1 - \text{PFW}) * S_n] * AV_n$, where S_n is the withdrawal charge rate in year n , AV_n is the Account Value in year n and PFW is the 10% penalty free percentage available each Policy Year. For purposes of this demonstration, interest rates of 4.00% in year 1, 3.00% in years 2-9 and a Minimum Guaranteed Interest Rate of 3.00% in years 10 and later were used as the accumulation rates. The company is currently crediting rates less than 4.00% in year 1 for all annuities, and there is no current expectation of increasing rates beyond 4.00%, so the use of a 4.00% year 1 rate will make the test more stringent. Using 3.00% in all years as the accumulation rate and as the minimum nonforfeiture rate was also tested. All possible maturity dates were tested and passed; the attached table illustrates compliance with a maturity date of 10 years from issue. The attached tables demonstrate compliance for this test. (Test 2 Minimum Cash Surrender Benefit).

Interest Credits

There are 4 interest credit options available. However, the Company may offer other interest crediting options via endorsements which were previously approved, in the future.

- Option A is a 1 year indexed interest credit option with monthly index averaging, linked to an external index. Option A has a participation rate and an asset fee rate.
- Option B is fixed interest.
- Option D is a 1 year indexed interest credit option with monthly rate averaging, linked to an external index. Option D has a monthly index rate cap.
- Option K is a 1 year indexed interest credit option with monthly index averaging, linked to a combination of external indices. Option K has a participation rate and an asset fee rate.

The owner may choose any single Option, or any combinations of Options. There are provisions for changing the owner's allocations at specific anniversaries outlined in the endorsements.

Index Formula for Interest Credit Option A

At the end of each Policy Year, a calculation is made to determine the monthly averages of the index values during the Policy Year for the Standard & Poor's 500 Composite Stock Price Index. The

National Western Life Insurance Company
Actuarial Memorandum – Policy Form 01-1174-16 and state variations
(continued)

average of the index is the average of the 12 monthly index values starting with the end of the first policy month and ending with the index value at the end of that Policy Year (the date on which this calculation is made). The index value at the beginning of the Policy Year is then used to calculate the return for each index as follows:

$$(\text{Average value} - \text{Beginning value}) / \text{Beginning value}.$$

This calculation produces the return, which may be negative. If the return is negative, it is set to 0. This value is subsequently multiplied by a participation factor, after which an asset fee rate is deducted. An asset fee rate will only be assessed to the extent that there is a positive weighted return. The final resulting value will be used to determine the actual interest rate applied to the policy's Account Value as noted below.

This result is used in the calculation of an interest rate to be applied to the beginning Account Value to determine the ending Account Value, before any interim premiums are added. Interim premiums paid, except in the first Policy Year, get fixed interest only until the next policy anniversary at which time they become eligible for indexing in the next Policy Year. In the first Policy Year, the company will include premiums paid in the first 20 days in the indexing formula to accommodate the time it takes for the Company to receive transfers from other Companies.

Interest crediting under this index formula is referred to as Interest Credit Option A. The interest credit under Option A will never be less than 0%.

The final Option A Interest Rate applied to the Account Value is calculated as:

$$\text{Option A Interest Rate} = P * \text{return} - \text{Asset Fee Rate}$$

This is subject to a floor value of 0%.

Where:

- P = participation rate, which is never less than 50%, and
- Asset Fee Rate is never greater than 6.00%

The participation rate defines the extent to which the policy participates in the weighted index return as defined in the above. The participation rate used in the Option A interest rate formula is always set prospectively for the next Policy Year.

The asset fee charge is deducted from the weighted return, after application of the participation rate, under Option A. An asset fee charge is only assessed to the extent there is a positive weighted return for a given year. The asset fee charge used in the Option A interest rate formula is always set prospectively for the next Policy Year.

National Western Life Insurance Company
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Index Formula for Interest Credit Option D

At the end of each Policy Year, a calculation is made to determine the monthly index change rates during the Policy Year for the Standard & Poor's 500 Composite Stock Price Index. Each monthly index change rate is subject to a Monthly Index Cap Rate. The Annual Index Change Rate is the sum of the 12 monthly index change rates, starting with the end of the first policy month and ending with the index value at the end of that Policy Year (the date on which this calculation is made).

This calculation produces the return, which may be negative. If the return is negative, it is set to 0. The final resulting value is the Option D Interest Rate which will be applied to the Account Value.

This result is used in the calculation of an interest rate to be applied to the beginning Account Value to determine the ending Account Value, before any interim premiums are added. Interim premiums paid, except in the first Policy Year, get fixed interest only until the next policy anniversary at which time they become eligible for indexing in the next Policy Year. In the first Policy Year, the company will include premiums paid in the first 20 days in the indexing formula to accommodate the time it takes for the Company to receive transfers from other Companies.

Interest crediting under this index formula is referred to as Interest Credit Option D. The interest credit under Option D will never be less than 0%.

The Monthly Index Cap Rate is always set prospectively for the next Policy Year. The minimum Option D Monthly Index Cap Rate is 1.00%.

Index Formula for Interest Credit Option K

At the end of each Policy Year, four different calculations are made to determine the monthly averages of the index values during the Policy Year for four different indices. These indices comprise the Standard & Poor's 500 Composite Stock Price Index, the Nikkei 225 Index, the Dow Jones Euro Stoxx 50 Index and the Hang Seng Index. The average for each index is the average of the 12 monthly index values starting with the end of the first policy month and ending with the index value at the end of that Policy Year (the date on which this calculation is made). The index value at the beginning of the Policy Year is then used to calculate the return for each index as follows: $(\text{Average value} - \text{Beginning value}) / \text{Beginning value}$.

This calculation produces four separate returns, one for each index, any or all of which may be negative. The four returns are then ranked in order of magnitude from highest to lowest. The weighted interest rate is calculated as the sum of the following components:

- 0.40 multiplied by the highest return, plus
- 0.30 multiplied by the next highest return, plus

National Western Life Insurance Company
Actuarial Memorandum – Policy Form 01-1174-16 and state variations
(continued)

0.20 multiplied by the next highest return, plus
0.10 multiplied by the lowest return.

If this summation, represented by “ Σ wtd returns”, is negative, it is set to 0. This value is subsequently multiplied by a participation factor, after which an asset fee charge is deducted. An asset fee charge will only be assessed to the extent that there is a positive weighted return. The final resulting value will be used to determine the actual interest rate applied to the policy’s Account Value as noted below.

This result is used in the calculation of an interest rate to be applied to the beginning Account Value to determine the ending Account Value, before any interim premiums are added. Interim premiums paid, except in the first Policy Year, get fixed interest only until the next policy anniversary at which time they become eligible for indexing in the next Policy Year. In the first Policy Year, the company will include premiums paid in the first 20 days in the indexing formula to accommodate the time it takes for the Company to receive transfers from other Companies. Interest crediting under this index formula is referred to as Interest Credit Option K. The interest credit under Option K will never be less than 0%.

The final Option K Interest Rate applied to the Account Value is calculated as:

$$\text{Option K Interest Rate} = P * \{\Sigma \text{ wtd returns}\} - \text{Asset Fee Rate}$$

This is subject to a floor value of 0%.

Where:

- P = participation rate, which is never less than 20%, and
- Asset Fee Rate is never greater than 2.00%

The participation rate defines the extent to which the policy participates in the weighted index return as defined in the above. The participation rate used in the Option K interest rate formula is always set prospectively for the next Policy Year.

The asset fee charge is deducted from the weighted return, after application of the participation rate, under Option K. An asset fee charge is only assessed to the extent there is a positive weighted return for a given year. The asset fee charge used in the Option K interest rate formula is always set prospectively for the next Policy Year.

Participation Rate – Options A and K

The participation rate defines the extent to which the policy participates in the weighted index return as defined in the above Index Formula section. The participation rates used in the Option A and K

National Western Life Insurance Company
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interest rate formula are always set prospectively for the next Policy Year. The minimum participation rate varies by Option, and is noted above.

Asset Fee Rate – Options A and K

An asset fee charge is deducted from the weighted return, after application of the participation rate, under Options A and K. An asset fee charge is only assessed to the extent there is a positive weighted return for a given year. The asset fee rates used in the Option A and K interest rate formula are always set prospectively for the next Policy Year. The maximum asset fee rate varies by Option, and is noted above.

Index Cap Rate – Options D

An Index Cap Rate is used in the calculation of interest credits under Option D. The Option D Index Cap Rate is a Monthly Cap Rate. The Index Cap Rate used in the option D interest rate formula is always set prospectively for the next Policy Year. The minimum cap rate varies by option, and is noted above.

Annual Ratchet Design

Once applied, the indexed interest will not be reduced through the operation of the future performance of the four indices. In other words, the index formula can only increase or leave unchanged the Account Value and never reduce what has previously been credited.

Annual Option for Owner

Before the start of each Policy Year, the owner can elect to take a fixed interest rate then being offered by the Company. If elected, this would then be credited to the Account Value at the end of that particular Policy Year, and the index formula would have no effect. We believe that this option is valuable to the owner in future years since it would allow the owner to elect to take a fixed interest return for a future policy year when the owner felt that the return on the other Options may not perform well in that year. The minimum declared interest rate is 0%. However, in no event will the value available to the policyholder under the contract be less than the Minimum Guaranteed Contract Value. This fixed interest option is provided by a separate endorsement and is referred to as Interest Credit Option B.

Asset Backing for This Product

In order to appropriately hedge the liability created by this indexed product, the Company will annually purchase over-the-counter call options structured around the return of these indices used in the above Interest Credit Options. These options will effectively mimic the interest crediting

National Western Life Insurance Company
Actuarial Memorandum – Policy Form 01-1174-16 and state variations
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mechanics under the endorsements and accordingly achieve a hedge that closely matches the Company's obligations. We plan to purchase one year options supporting these Interest Credit Options, since the owner has the right to change from this index option to a fixed interest rate at the end of the first and each subsequent Policy Year. The amount available (budget) for purchase of call options is determined based on our net investment yield rate, the required interest spread to provide for profit and expenses and the guaranteed interest rate providing the minimum guaranteed cash value, used to determine the offset or amount of out-of-the-money purchase. The budget thus calculated allows the purchase of call options, the returns on which provide the interest credits for the liabilities.

We recognize that the cost of these options in the future is not precisely known. Our testing indicates that the cost of these options can be provided for in almost all instances in the variations possible in the participation rates and caps for these options. We have chosen to only provide fixed interest on premiums added between anniversaries to avoid the mismatch of the index guarantees until the next anniversary.

A full detailed description of Options A, D, and K with examples are in the previously approved endorsements.

October 17, 2016

A handwritten signature in dark ink, appearing to read "Lawrence G. Scott", is written over a light gray circular stamp.

Lawrence G. Scott, ASA, MAAA
Vice President – Actuarial Services

National Western Life Insurance Company

Reserve Demonstration At Time 0
Form Number 01-1174-16 and State Variations

				Annuitization				Annuitization:	
				Policy Year or	Surrender	Type A	Reserve		
				Guar Duration	Charge	Valuation Rate	Factor	Payout = 5 YR Monthly 1.25%	
Issue Age / Sex				1	9.25%	5.50%	0.906		
10/01/07				2	8.25%	5.50%	0.906		
12/31/07				3	7.25%	5.50%	0.906		
\$10,000.00				4	6.25%	5.50%	0.906		
4.50%				5	5.00%	5.50%	0.906		
5.50%				6	4.00%	5.25%	0.911		
100%				7	3.00%	5.25%	0.911		
a2000 Male				8	2.00%	5.25%	0.911		
				9	1.00%	5.25%	0.911		
				10	0.00%	5.25%	0.911		
				11	0.00%	4.75%	0.922		
				12	0.00%	4.75%	0.922		
				13	0.00%	4.75%	0.922		
				14	0.00%	4.75%	0.922		
				15	0.00%	4.75%	0.922		

Greatest Present Values of Benefits (PVB):

Benefit streams (2) and (4)

\$9,301

Benefit streams (1) and (3)

\$9,370

Reserve = Maximum PVB

\$9,370

Benefit streams (1) and (3) per Reserve Demonstration: All future penalty-free partial withdrawals followed by all possible future full surrenders and annuitizations

	Min Guar	Min Guar	Account	Account Value			Cash															
	Interest	Contract	Value Annual	Account	Free Partial	less Surrender	Surrender	Continuous	Annuitization	Death				Surrender	Annuitization	FPW	Cumulative					
Year (t)	Rate	Value (MGCV)	Growth Rate	Value	Withdrawal _(1+d)	Charge	Value (CSV)	CSV _(1+d)	Benefit	Benefit	$q_{65:t+1}$	iP_{65}	Cost	Cost	Cost	FPW Cost	DB Cost	Cumulative	Reserve			
0		\$8,750		\$10,000	\$1,000	\$9,168	\$9,168	\$8,168				1.00000	\$8,168		\$1,000	\$1,000						
1	3.00%	7,983	5.02%	9,451	945	8,577	8,577	7,805	7,805	8,577	0.00994	0.99006	7,394	\$6,639	895	1,895	\$81	\$81	9,370			
2	3.00%	7,248	2.51%	8,720	872	8,000	8,000	7,279	7,279	8,000	0.01102	0.97915	6,526	5,804	782	2,677	78	159	9,363			
3	3.00%	6,568	2.51%	8,044	804	7,461	7,461	6,788	6,788	7,461	0.01225	0.96716	5,753	5,067	682	3,359	76	235	9,347			
4	3.00%	5,936	2.51%	7,422	742	6,958	6,958	6,345	6,345	6,958	0.01366	0.95395	5,076	4,429	594	3,953	74	310	9,338			
5	3.00%	5,350	2.51%	6,847	685	6,505	6,505	5,916	6,162	6,505	0.01523	0.93942	4,460	4,085	516	4,469	72	382	9,310			
6	3.00%	4,805	2.51%	6,317	632	6,064	6,064	5,515	5,685	6,064	0.01698	0.92347	3,911	3,520	448	4,917	70	452	9,279			
7	3.00%	4,299	2.51%	5,828	583	5,653	5,653	5,140	5,245	5,653	0.01889	0.90602	3,422	3,027	388	5,305	68	520	9,247			
8	3.00%	3,827	2.51%	5,377	538	5,269	5,269	4,790	4,839	5,269	0.02097	0.88703	2,988	2,598	335	5,640	65	585	9,213			
9	3.00%	3,388	2.51%	4,960	0	4,911	4,911	4,960	4,960	4,911	0.02321	0.86644	2,892	2,472	0	5,640	62	648	9,180			
10	3.00%	3,490	3.00%	5,109	0	5,109	5,109	5,109	5,109	5,109	0.02564	0.84422	2,777	2,500	0	5,640	66	714	9,132			
11	3.00%	3,595	3.00%	5,262	0	5,262	5,262	5,262	5,262	5,262	0.02830	0.82033	2,660	2,388	0	5,640	70	784	9,084			
12	3.00%	3,703	3.00%	5,420	0	5,420	5,420	5,420	5,420	5,420	0.03122	0.79471	2,540	2,275	0	5,640	73	857	9,037			
13	3.00%	3,814	3.00%	5,583	0	5,583	5,583	5,583	5,583	5,583	0.03442	0.76736	2,417	2,160	0	5,640	76	933	8,990			
14	3.00%	3,928	3.00%	5,750	0	5,750	5,750	5,750	5,750	5,750	0.03795	0.73824	2,292	2,043	0	5,640	79	1,012	8,944			
15	3.00%	4,046	3.00%	5,923	0	5,923	5,923	5,923	5,923	5,923	0.04181	0.70737	2,165	0	0	5,640	82	1,094	8,899			

Benefit streams (1) and (3) Reserve per 10,000 Premium \$9,370

NATIONAL WESTERN LIFE INSURANCE COMPANY RESERVE DEMONSTRATION

Policy Form No. 01-1174-16 & State Variations

The NAIC has adopted Actuarial Guideline XXXV on reserves for Equity Index Annuities. The guideline specifies the use of market value type methods, CARVM-UMV and MVRM with an adaptation of MVRM, known as the Black-Scholes Projection Method (BSPM) which are not subject to investment restraints, and one method subject to certain investment restraints, EDIM.

Since we are not purchasing, at the policy issue date [i.e. not “Hedged as Required”], the options to cover the equity indexing risk for all future years, we will need to use a market value approach to the reserve calculation. We will use BSPM.

AG XXXV outlines the steps in determining projected account value growth rates and index values to which the policy performance is linked to facilitate the calculation of CARVM reserves. However, one of the available indexing options on this plan involves the use of a combination of indices where the annual growth of, or return on, each index is ranked relative to other indices. The final interest crediting rate under this option is based on a weighting of these returns, with higher weights applied to the better performing indices. Therefore, there is no single index applicable in this case. But, using the option values for each benefit period in combination with risk-free rates of interest, projected growth rates for the account value may be determined. In combination with minimum guaranteed contract values, these projected account values serve as the basis for all benefits under the policy. Since all annuity benefits are now determinable for the policy, CARVM reserve calculations may be made.

Over-the-counter (OTC) options to support this exact indexing method are available in the market, so fair values for this type of option are determinable. The fair, or market, values are typically calculated using a stochastic approach within a Black-Scholes framework. This approach is based on current and forward values of risk-free interest rates, index volatility, index dividend levels as well as index correlations. So the cost of a full hedging call option for each policy guarantee period may be determined.

On the valuation and policy anniversary dates, we will determine the cost of a full hedging call option for the contract as described in the preceding paragraph. The accumulation of these hedging costs at the risk-free rate to the end of each period will generate the account value growth rate, subject to applicable guaranteed participation rates and guaranteed asset fee charges. These calculations will be performed for each policy year through the end of the Contract Term.

The AG33 CARVM calculation can now be performed.

Reserve Method

Reserves are determined under CARVM as clarified by the revised Actuarial Guideline XXXIII which was effective December 31, 1998. We determined reserves based on continuous CARVM.

CARVM requires that reserves be based on the greatest present value of all potential future guaranteed benefits. Under the integrated benefit stream approach, all potential benefit streams are considered including blends reflecting more than one type of benefit with adjustments made to all such benefit streams to reflect death benefits. This contract offers surrenders (both full and partial), annuitization and death benefits. We must consider all benefit streams including:

1. All future penalty-free partial withdrawals elected with the balance surrendered;
2. No future penalty-free partial withdrawals elected with all possible future full surrenders;
3. All future penalty-free partial withdrawals elected with the balance annuitized; and
4. No future penalty-free partial withdrawals elected with all possible future annuitizations.

All such streams are adjusted to reflect death benefits and to discount all benefits for survivorship (based on the mortality table prescribed in the SVL).

Valuation Interest Rate

1. Bases of Valuation – Issue Year
2. Cash Settlement options are provided by the contract.
3. Interest is guaranteed on premiums received more than 12 months following issue.
4. Guarantee duration
 - a. For portions of the integrated benefit stream attributable to full surrender and partial surrender the Plan Type is C and guarantee duration is “5 years or less.” For 2007 issues the rate is 4.50%.
 - b. For portions of the integrated benefit stream attributable to annuitization the Plan Type is A, and guarantee duration is the number of years from the issue date to the date annuitization is assumed to commence and, therefore, will vary by assumed annuitization date. For 2007 issues the Type A valuation rates are:

<u>Guarantee Duration</u>	<u>Valuation Rate</u>
5 or less	5.50%
over 5, not over 10	5.25%
over 10, not over 20	4.75% (2008 proj=5.00%)
over 20	4.25%

- c. For portions of the integrated benefit stream attributable to death benefits, the Plan Type is A and the guarantee duration is “5 Years or Less” since death benefit coverage begins immediately after issue. The valuation rate for 2007 issues is 5.50%.

Mortality Table

The mortality table used for valuation is the Annuity 2000 Mortality Table for 2007 and later issues. This table will be updated in the future for any changes in the prescribed valuation mortality table.

Sample Calculation

A full detailed description with example is attached.

NATIONAL WESTERN LIFE INSURANCE COMPANY
Minimum Nonforfeiture Values Demonstration under Standard Nonforfeiture Law (SNFL) - Prospective Test (Test 2)
Policy Form 01-1174-16 and State Variations
*Assumed Term to Maturity of 10 Years **

End of Year	Contract Values															
	Beginning of Year Annual Premium	Annual Prem times Percentage of Premiums	Interest Crediting Rate	Crediting Rate plus 1.00%	Account Value	Withdrawal Charge Rates	Free Partial Withdrawal	(1)			(2)		(3)	(4)		(3) minus (4)
								Account Value less Withdrawal Charge	Min Guar Interest Rate	Min Guar Contract Value	Cash Surrender Value	SNFL Discount Factor **	SNFL Present Value of Maturity Benefit	Cash Surrender Value Minus SNFL Pres Val of Maturity Benefit		
@ issue	1,000.00	1,000.00			1,000.00	9.25%	10.0%	83.25	916.75	3.00%	875.00	916.75	0.90799	907.99	8.76	
1	1,000.00	1,000.00	4.00%	5.00%	1,040.00	9.25%	10.0%	86.58	953.42	3.00%	901.25	953.42	0.91672	953.38	0.04	
2	1,000.00	1,000.00	3.00%	4.00%	2,101.20	8.25%	10.0%	156.01	1,945.19	3.00%	1,829.54	1,945.19	0.92562	1,944.91	0.28	
3	1,000.00	1,000.00	3.00%	4.00%	3,194.24	7.25%	10.0%	208.42	2,985.81	3.00%	2,785.67	2,985.81	0.93460	2,985.34	0.47	
4	1,000.00	1,000.00	3.00%	4.00%	4,320.06	6.25%	10.0%	243.00	4,077.06	3.00%	3,770.49	4,077.06	0.94368	4,076.74	0.32	
5	1,000.00	1,000.00	3.00%	4.00%	5,479.66	5.00%	10.0%	246.58	5,233.08	3.00%	4,784.86	5,233.08	0.95284	5,221.24	11.84	
6	1,000.00	1,000.00	3.00%	4.00%	6,674.05	4.00%	10.0%	240.27	6,433.79	3.00%	5,829.65	6,433.79	0.96209	6,421.04	12.75	
7	1,000.00	1,000.00	3.00%	4.00%	7,904.28	3.00%	10.0%	213.42	7,690.86	3.00%	6,905.79	7,690.86	0.97143	7,678.45	12.41	
8	1,000.00	1,000.00	3.00%	4.00%	9,171.40	2.00%	10.0%	165.09	9,006.32	3.00%	8,014.22	9,006.32	0.98086	8,995.88	10.44	
9	1,000.00	1,000.00	3.00%	4.00%	10,476.55	1.00%	10.0%	94.29	10,382.26	3.00%	9,155.89	10,382.26	0.99038	10,375.81	6.45	
10	1,000.00	1,000.00	3.00%	4.00%	11,820.84	0.00%	0.0%	0.00	11,820.84	3.00%	10,331.82	11,820.84	1.00000	11,820.84	0.00	

► **Test 2: In all years, the Contract Value (3) equals or exceeds the present value of the SNFL Maturity Benefit (4)**

* The minimum maturity period prescribed under the Standard Nonforfeiture Law is 10 years. The shortest term to maturity provides the most stringent test of compliance with the SNFL.

** See accompanying Actuarial Memorandum. Factor represents accumulation to Maturity at guaranteed rate, and subsequent discounting using guaranteed rate plus 1% to current year. For example,

At issue discount factor: $[1.04 * 1.03^9] / [1.05 * 1.04^9] = 0.90799$
Year 1 discount factor: $[1.03^9] / [1.04^9] = 0.91672$
.....
Year 9 discount factor: $[1.03] / [1.04] = 0.99038$

NATIONAL WESTERN LIFE INSURANCE COMPANY
Minimum Nonforfeiture Values Demonstration under Standard Nonforfeiture Law (SNFL) - Retrospective Test (Test 1)
Policy Form 01-1174-16 and State Variations
Assumed Term to Maturity of 35 Years

End of Year	Contract Values											Test 1 (see below)	
	Beginning of Year Annual Premium	Annual Prem times Percentage of Premiums	Interest Crediting Rate*	Account Value	Withdrawal Charge Rates	Free Partial Withdrawal	Withdrawal Charge	(1) Account Value less Withdrawal Charge	Min Guar Interest Rate	(2) Min Guar Contract Value	(3) max of (1) & (2) Cash Surrender Value	(4) SNFL Minimum Value	(3) minus (4) Cash Surrender Value Minus SNFL Minimum Value
@ issue	1,000.00	1,000.00		1,000.00	9.25%	10.0%	83.25	916.75	3.00%	875.00	916.75	875.00	41.75
1	1,000.00	1,000.00	0.00%	1,000.00	9.25%	10.0%	83.25	916.75	3.00%	901.25	916.75	901.25	15.50
2	1,000.00	1,000.00	0.00%	2,000.00	8.25%	10.0%	148.50	1,851.50	3.00%	1,829.54	1,851.50	1,829.54	21.96
3	1,000.00	1,000.00	0.00%	3,000.00	7.25%	10.0%	195.75	2,804.25	3.00%	2,785.67	2,804.25	2,785.67	18.58
4	1,000.00	1,000.00	0.00%	4,000.00	6.25%	10.0%	225.00	3,775.00	3.00%	3,770.49	3,775.00	3,770.49	4.51
5	1,000.00	1,000.00	0.00%	5,000.00	5.00%	10.0%	225.00	4,775.00	3.00%	4,784.86	4,784.86	4,784.86	0.00
6	1,000.00	1,000.00	0.00%	6,000.00	4.00%	10.0%	216.00	5,784.00	3.00%	5,829.65	5,829.65	5,829.65	0.00
7	1,000.00	1,000.00	0.00%	7,000.00	3.00%	10.0%	189.00	6,811.00	3.00%	6,905.79	6,905.79	6,905.79	0.00
8	1,000.00	1,000.00	0.00%	8,000.00	2.00%	10.0%	144.00	7,856.00	3.00%	8,014.22	8,014.22	8,014.22	0.00
9	1,000.00	1,000.00	0.00%	9,000.00	1.00%	10.0%	81.00	8,919.00	3.00%	9,155.89	9,155.89	9,155.89	0.00
10	1,000.00	1,000.00	0.00%	10,000.00	0.00%	0.0%	0.00	10,000.00	3.00%	10,331.82	10,331.82	10,331.82	0.00
11	1,000.00	1,000.00	0.00%	11,000.00	0.00%	0.0%	0.00	11,000.00	3.00%	11,543.03	11,543.03	11,543.03	0.00
12	1,000.00	1,000.00	0.00%	12,000.00	0.00%	0.0%	0.00	12,000.00	3.00%	12,790.57	12,790.57	12,790.57	0.00
13	1,000.00	1,000.00	0.00%	13,000.00	0.00%	0.0%	0.00	13,000.00	3.00%	14,075.53	14,075.53	14,075.53	0.00
14	1,000.00	1,000.00	0.00%	14,000.00	0.00%	0.0%	0.00	14,000.00	3.00%	15,399.05	15,399.05	15,399.05	0.00
15	1,000.00	1,000.00	0.00%	15,000.00	0.00%	0.0%	0.00	15,000.00	3.00%	16,762.27	16,762.27	16,762.27	0.00
16	1,000.00	1,000.00	0.00%	16,000.00	0.00%	0.0%	0.00	16,000.00	3.00%	18,166.39	18,166.39	18,166.39	0.00
17	1,000.00	1,000.00	0.00%	17,000.00	0.00%	0.0%	0.00	17,000.00	3.00%	19,612.63	19,612.63	19,612.63	0.00
18	1,000.00	1,000.00	0.00%	18,000.00	0.00%	0.0%	0.00	18,000.00	3.00%	21,102.26	21,102.26	21,102.26	0.00
19	1,000.00	1,000.00	0.00%	19,000.00	0.00%	0.0%	0.00	19,000.00	3.00%	22,636.58	22,636.58	22,636.58	0.00
20	1,000.00	1,000.00	0.00%	20,000.00	0.00%	0.0%	0.00	20,000.00	3.00%	24,216.93	24,216.93	24,216.93	0.00
21	1,000.00	1,000.00	0.00%	21,000.00	0.00%	0.0%	0.00	21,000.00	3.00%	25,844.68	25,844.68	25,844.68	0.00
22	1,000.00	1,000.00	0.00%	22,000.00	0.00%	0.0%	0.00	22,000.00	3.00%	27,521.27	27,521.27	27,521.27	0.00
23	1,000.00	1,000.00	0.00%	23,000.00	0.00%	0.0%	0.00	23,000.00	3.00%	29,248.16	29,248.16	29,248.16	0.00
24	1,000.00	1,000.00	0.00%	24,000.00	0.00%	0.0%	0.00	24,000.00	3.00%	31,026.86	31,026.86	31,026.86	0.00
25	1,000.00	1,000.00	0.00%	25,000.00	0.00%	0.0%	0.00	25,000.00	3.00%	32,858.91	32,858.91	32,858.91	0.00
26	1,000.00	1,000.00	0.00%	26,000.00	0.00%	0.0%	0.00	26,000.00	3.00%	34,745.93	34,745.93	34,745.93	0.00
27	1,000.00	1,000.00	0.00%	27,000.00	0.00%	0.0%	0.00	27,000.00	3.00%	36,689.56	36,689.56	36,689.56	0.00
28	1,000.00	1,000.00	0.00%	28,000.00	0.00%	0.0%	0.00	28,000.00	3.00%	38,691.49	38,691.49	38,691.49	0.00
29	1,000.00	1,000.00	0.00%	29,000.00	0.00%	0.0%	0.00	29,000.00	3.00%	40,753.49	40,753.49	40,753.49	0.00
30	1,000.00	1,000.00	0.00%	30,000.00	0.00%	0.0%	0.00	30,000.00	3.00%	42,877.34	42,877.34	42,877.34	0.00
31	1,000.00	1,000.00	0.00%	31,000.00	0.00%	0.0%	0.00	31,000.00	3.00%	45,064.91	45,064.91	45,064.91	0.00
32	1,000.00	1,000.00	0.00%	32,000.00	0.00%	0.0%	0.00	32,000.00	3.00%	47,318.11	47,318.11	47,318.11	0.00
33	1,000.00	1,000.00	0.00%	33,000.00	0.00%	0.0%	0.00	33,000.00	3.00%	49,638.90	49,638.90	49,638.90	0.00
34	1,000.00	1,000.00	0.00%	34,000.00	0.00%	0.0%	0.00	34,000.00	3.00%	52,029.32	52,029.32	52,029.32	0.00
35	1,000.00	1,000.00	0.00%	35,000.00	0.00%	0.0%	0.00	35,000.00	3.00%	54,491.45	54,491.45	54,491.45	0.00

► **Test 1: In all years, the Contract Cash Surrender Value (3) equals or exceeds the minimum Cash Value requirement (4) under the Standard Nonforfeiture Law**
In addition, the illustrated SNFL Minimum Values do not make allowance for any contract charges as defined under the SNFL. Recognition of these charges would produce even higher excesses of Contract Values over SNFL Minimum Values

* An interest crediting rate of 0% is the lowest allowable assuming 100% allocation to Option K interest crediting method